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COUNTRY GARDEN SERVICES HOLDINGS COMPANY LIMITED

碧 桂 園 服 務 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6098)

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS WITH THE BRIGHT SCHOLAR GROUP AND THE CGH GROUP UNDER THE 2020 FRAMEWORK AGREEMENTS

THE 2020 FRAMEWORK AGREEMENTS

Reference is made to the Listing Document, the Announcements and the 2018 Circular in relation to, among other things, certain continuing connected transactions between the Group and the Bright Scholar Group and the CGH Group respectively pursuant to the Existing Framework Agreements. Since the Existing Framework Agreements are due to expire on 31 December 2020 and it is expected that the Group will continue to enter into similar transactions from time to time thereafter, on 4 December 2020, the Company entered into the following 2020 Framework Agreements:

- (1) the Bright Scholar Property Management Services Framework Agreement with Bright Scholar;
- (2) the CGH Property Management Services Framework Agreement with CG Holdings;
- (3) the Sales and Leasing Agency Services Framework Agreement with CG Holdings;
- (4) the Consultancy and Other Services Framework Agreement with CG Holdings;
- (5) the Hotel, Engineering and Transportation Services Framework Agreement with CG Holdings; and
- (6) the Merchandise Procurement Framework Agreement with CG Holdings.

LISTING RULES IMPLICATIONS

Bright Scholar is an indirect majority-controlled company of Ms. YANG Huiyan, a non-executive Director and a substantial Shareholder of the Company, and her aunt, Ms. YANG Meirong. As such, Bright Scholar is a connected person of the Company and the Bright Scholar Property Management Services Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since CG Holdings is a majority-controlled company indirectly held by Ms. YANG Huiyan, a non-executive Director and a substantial Shareholder of the Company, it is an associate of Ms. YANG Huiyan and thus a connected person of the Company. Transactions contemplated under each of the 2020 CGH Framework Agreements therefore constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) calculated based on the highest annual cap for transactions contemplated under each of (i) the Bright Scholar Property Management Services Framework Agreement, (ii) the Hotel, Engineering and Transportation Services Framework Agreement and (iii) the Merchandise Procurement Framework Agreement exceed 0.1% but are below 5%, such transactions are subject to the reporting, annual review and announcement requirements but exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) calculated based on the highest annual cap exceed 5%, each of (i) the CGH Property Management Services Framework Agreement; (ii) the Sales and Leasing Agency Services Framework Agreement; and (iii) the Consultancy and Other Services Framework Agreement and the transactions contemplated thereunder are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

DESPATCH OF CIRCULAR

A circular containing, among other things, (a) the Letter from the Board with further details of the Non-exempt Framework Agreements and the transactions contemplated thereunder; (b) a letter from the Independent Board Committee to the Independent Shareholders; (c) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders in respect of the Non-exempt Framework Agreements; and (d) a notice of the EGM is expected to be despatched to Shareholders on or before 7 December 2020.

Book Closure Period

In order to determine the list of Shareholders who will be entitled to attend and vote at the EGM, the register of members of the Company will be closed from Monday, 21 December 2020 to Wednesday, 23 December 2020 (both days inclusive), during which no transfer of the Shares will be registered. Holders of Shares whose names appear on the register of members of the Company at 4:30 p.m. on Friday, 18 December 2020 shall be entitled to attend and vote at the EGM. In order to determine the identities of the shareholders who are entitled to attend and vote at the EGM, the completed share transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, 18 December 2020.

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

Reference is made to the Listing Document, the Announcements and the 2018 Circular in relation to, among other things, certain continuing connected transactions between the Group and the Bright Scholar Group and the CGH Group respectively pursuant to the Existing Framework Agreements. Since the Existing Framework Agreements are due to expire on 31 December 2020 and it is expected that the Group will continue to enter into similar transactions from time to time thereafter, on 4 December 2020, the Company entered into the following 2020 Framework Agreements:

(1) The Bright Scholar Property Management Services Framework Agreement

On 4 December 2020, the Company entered into the Bright Scholar Property Management Services Framework Agreement with Bright Scholar. During the term of the said agreement, members of the Group may from time to time enter into individual agreements with members of the Bright Scholar Group for the provision of property management services to the Bright Scholar Group in accordance with the principal terms of the Bright Scholar Property Management Services Framework Agreement, which are set out as follows.

Date	:	4 December 2020
Parties	:	(1) the Company; and (2) Bright Scholar
Term	:	From 1 January 2021 until 31 December 2023
Services to be provided	:	Provision of property management services (including but not limited to the maintenance of order, greening, environmental hygiene, repair and maintenance and auxiliary value-added services) by the Group to the Bright Scholar Group in respect of the school campuses and dormitories of the Bright Scholar Group.

Price : Fees for the provision of property management services by the Group shall be determined after arm's length negotiations taking into account the types of properties subject to such services and the scope, content and standard of such services with reference to the fees for similar services and similar types of properties in the market. The service fees shall not be higher than the government-guidance fees (if applicable) or lower than the fees charged by the Group to Independent Third Parties under the same conditions.

According to the Property Service Charge Management Measures, the specific pricing of property service fees, namely the aforesaid government-guidance fees, is to be determined by the price authorities of the people's governments of provinces, autonomous regions and municipalities directly under the Central Government of the PRC in conjunction with the real estate administrative authorities. In practice, the publication method and update frequency of pricing documents for property service fees are determined by the competent departments of each province, autonomous region, and municipality directly under the Central Government of the PRC.

Payment terms : Fees for such services provided by the Group will be payable on a quarterly basis.

The payment terms are in essence the same as those under the Existing Bright Scholar Property Management Services Framework Agreement, and are in line with the Group's standard payment terms offered to Independent Third Parties under similar conditions and the market practice.

Annual caps and basis of determination

The existing annual caps (excluding tax) for fees payable by the Bright Scholar Group to the Group under the Existing Bright Scholar Property Management Services Framework Agreement for each of the three years ending 31 December 2020 are as follows:

For the year ended 31 December 2018	For the year ended 31 December 2019	For the year ending 31 December 2020
RMB7,600,000	RMB20,000,000	RMB40,000,000

The approximate historical amounts (excluding tax) of fees paid by the Bright Scholar Group to the Group under the Existing Bright Scholar Property Management Services Framework Agreement for each of the two years ended 31 December 2018 and 2019, and the nine months ended 30 September 2020 are as follows:

For the year ended 31 December 2018 <i>(audited)</i>	For the year ended 31 December 2019 <i>(audited)</i>	For the nine months ended 30 September 2020 <i>(unaudited)</i>
RMB1,285,000	RMB5,522,000	RMB5,872,000

The proposed annual caps (excluding tax) for fees payable by the Bright Scholar Group to the Group for the provision of property management services for each of the three years ending 31 December 2023 under the Bright Scholar Property Management Services Framework Agreement are as follows:

For the year ending 31 December 2021	For the year ending 31 December 2022	For the year ending 31 December 2023
RMB7,000,000	RMB12,500,000	RMB18,000,000

The above proposed annual caps for each of the years ending 31 December 2023 were determined after having taken into account (i) the historical amounts of fees charged by the Group for the provision of similar services for each of the two years ended 31 December 2018 and 2019 and the nine months ended 30 September 2020; (ii) the estimated fee rates chargeable by the Group for each square metre of property for such services provided (if applicable); and (iii) the estimated gross floor area which Bright Scholar Group will require such services of the Group (if applicable).

Pricing Policy

The following pricing policy is adopted for each of the individual agreements to be entered into between members of the Group and members of the Bright Scholar Group under the Bright Scholar Property Management Services Framework Agreement from time to time:

- (a) each individual agreement will be negotiated on an arm's length basis to ensure the relevant pricing terms are fair and reasonable and on normal commercial terms;
- (b) if a government-guidance price is implemented in the locality of the project, the transaction price shall be determined in principle with reference to the applicable government-guidance price on the premise that the reporting requirements of the local price departments are fulfilled;

- (c) the relevant member of the Group shall conduct market research on (if available) three Independent Third Parties in the surrounding areas of the contemporaneous similar transactions and make reference to the prevailing fees charged by such Independent Third Parties for providing similar services to ensure that the transaction price would not be lower than those charged by Independent Third Parties;
- (d) in determining the transaction price, the Group would estimate the cost of provision of such services based on manpower and comprehensive expenses required and the Group will not proceed with a transaction if the transaction price determined between both parties through negotiations is lower than the estimated cost of provision of such services; and
- (e) the transaction price will be determined between both parties through negotiations with reference to the market unit price of similar property projects and the estimated quality and amount of services required.

Reasons for and benefits of the Bright Scholar Property Management Services Framework Agreement

It is expected that the entering into of the Bright Scholar Property Management Services Framework Agreement can broaden the sources of revenue of the Group, thereby generating stable income and realizing more benefits for the Group.

The Directors (including the independent non-executive Directors) consider that the terms of the Bright Scholar Property Management Services Framework Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the ordinary and usual course of business of the Company and are in the interests of the Company and its shareholders as a whole.

(2) The CGH Property Management Services Framework Agreement

On 4 December 2020, the Company entered into the CGH Property Management Services Framework Agreement with CG Holdings. During the term of the said agreement, members of the Group may from time to time enter into individual agreements with members of the CGH Group for the provision of property management services to the CGH Group in accordance with the principal terms of the CGH Property Management Services Framework Agreement, which are set out as follows.

Date	:	4 December 2020
Parties	:	(1) the Company; and (2) CG Holdings
Term	:	From 1 January 2021 until 31 December 2023

- Services to be provided : Provision of property management services by the Group in respect of the unsold property units and the sold property units prior to the agreed delivery date set out on the property purchase contract for projects developed by the CGH Group
- Condition Precedent : The carrying out of transactions under the CGH Property Management Services Framework Agreement is subject to the Company having obtained the approval by the Independent Shareholders of such agreement, the annual caps and the transactions contemplated thereunder.
- Price : Fees to be charged for the property management services provided by the Group shall be determined after arm's length negotiations taking into account the type and the construction area of the property, with reference to the location of the property, the anticipated operational costs, the government-guidance fees (if applicable) and the rate of fees under other contracts for similar property management services entered into by each party (if any). The service fees shall not be higher than the government-guidance fees (if applicable) or lower than the fees charged by the Group to Independent Third Parties under the same conditions.

According to the Property Service Charge Management Measures, the specific pricing of property service fees, namely the aforesaid government-guidance fees, is to be determined by the price authorities of the people's governments of provinces, autonomous regions and municipalities directly under the Central Government of the PRC in conjunction with the real estate administrative authorities. In practice, the publication method and update frequency of pricing documents for property service fees are determined by the competent departments of each province, autonomous region, and municipality directly under the Central Government of the PRC.

- Payment terms : Fees for the property management services provided by the Group will be payable after provision of such services, to be settled on a monthly basis.

The payment terms are in essence the same as those under the Existing Property Management Services Framework Agreement, and are in line with the Group's standard payment terms offered to Independent Third Parties under similar conditions and the market practice.

Annual caps and basis of determination

The existing annual caps (excluding tax) for fees payable by the CGH Group to the Group under the Existing CGH Property Management Services Framework Agreement for each of the three years ending 31 December 2020 are as follows:

For the year ended 31 December 2018	For the year ended 31 December 2019	For the year ending 31 December 2020
RMB289,600,000	RMB355,300,000	RMB478,100,000

The approximate historical amounts (excluding tax) of fees paid by the CGH Group to the Group under the Existing CGH Property Management Services Framework Agreement for each of the two years ended 31 December 2018 and 2019, and the nine months ended 30 September 2020 are as follows:

For the year ended 31 December 2018 <i>(audited)</i>	For the year ended 31 December 2019 <i>(audited)</i>	For the nine months ended 30 September 2020 <i>(unaudited)</i>
RMB264,517,000	RMB285,663,000	RMB198,315,800

The proposed annual caps (excluding tax) for fees payable by the CGH Group to the Group under the CGH Property Management Services Framework Agreement for each of the three years ending 31 December 2023 are as follows:

For the year ending 31 December 2021	For the year ending 31 December 2022	For the year ending 31 December 2023
RMB416,000,000	RMB493,000,000	RMB571,000,000

The above proposed annual caps were determined after having taken into account (i) the historical transaction amounts under the Existing CGH Property Management Services Framework Agreement for each of the two years ended 31 December 2019 and the nine months ended 30 September 2020; (ii) the expected total property management service income of the Group for the three years ending 31 December 2023 in respect of properties developed by the CGH Group; and (iii) the proportion of expected income from property management services provided by the Group to properties developed by the CGH Group to the total property management services expenses of the CGH Group in respect of such properties for the three years ending 31 December 2023.

Pricing policy

The following pricing policy is adopted for each of the individual agreements to be entered into between members of the Group and members of the CGH Group under the CGH Property Management Services Framework Agreement from time to time:

- (a) each individual agreement will be negotiated on an arm's length basis to ensure the relevant pricing terms are fair and reasonable and on normal commercial terms;
- (b) if a government-guidance price is implemented in the locality of the project, the transaction price shall be determined in principle with reference to the applicable government-guidance price on the premise that the reporting requirements of the local price departments are fulfilled;
- (c) the relevant member of the Group shall conduct market research on (if available) three Independent Third Parties in the surrounding areas of the relevant property project and make reference to the prevailing fees charged by such Independent Third Parties for providing similar services to ensure that the transaction price would not be lower than those charged by Independent Third Parties;
- (d) in determining the transaction price, the Group would estimate the cost of provision of such services based on manpower and comprehensive expenses required and the Group will not proceed with a transaction if the transaction price determined between both parties through negotiations is lower than the estimated cost of provision of such services; and
- (e) the transaction price will be determined between both parties through negotiations with reference to the market fees for similar property projects and the estimated quality and amount of services required.

Reasons for and benefits of the CGH Property Management Services Framework Agreement

It is a common practice for property management companies in the PRC to provide property services to property developers. The Company is a leading service provider in comprehensive property management in the PRC with residential property as its major focus. The cooperation between the Company and CG Holdings through the CGH Property Management Services Framework Agreement is expected to generate good synergies and further contribute to the Group's business growth.

The Directors (save for the members of the Independent Board Committee, whose opinion will be issued based on the advice of the Independent Financial Adviser) consider that the CGH Property Management Services Framework Agreement and the transactions contemplated thereunder are entered into in the ordinary and usual course of business of the Company and on normal commercial terms, and the terms of which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

(3) The Sales and Leasing Agency Services Framework Agreement

On 4 December 2020, the Company entered into the Sales and Leasing Agency Services Framework Agreement with CG Holdings. During the term of the said agreement, members of the Group may from time to time enter into individual agreements with members of the CGH Group for the provision of sales and leasing agency services to the CGH Group in accordance with the principal terms of the Sales and Leasing Agency Services Framework Agreement, which are set out as follows.

Date	:	4 December 2020
Parties	:	(1) the Company; and (2) CG Holdings
Term	:	From 1 January 2021 until 31 December 2023
Services to be provided	:	Provision of (i) sales and leasing agency services by the Group to the CGH Group in respect of parking spaces; and (ii) sales agency services by the Group to the CGH Group in respect of property units of the CGH Group which remain unsold after the mass sales period of the corresponding property development projects.

Ancillary to the above sales and leasing agency services in respect of parking spaces, the Group also carry out various work including market research, project analysis, competitor product analysis, formulation of sales strategy, design and production of promotion materials, formulation of marketing plan and budget, review of legal documentation relating to sales, connecting to the government's filing procedures and connecting to procedures of the government and banks for commercial loans and provident fund loan, preparation and verification of reports and information in relation to delivery of parking spaces as required by the CGH Group, etc.

Condition Precedent	:	The carrying out of transactions under the Sales and Leasing Agency Services Framework Agreement is subject to the Company having obtained the approval by the Independent Shareholders of such agreement, the annual caps and the transactions contemplated thereunder.
Price	:	(a) The fees for the provision of sales agency services in respect of unsold properties units by the Group comprise (i) pre-commencement fee; and (ii) sales agency fee, which shall be calculated based on the following:

The pre-commencement fee is a one-time payment of 0.5% of the value of the subject property units ^(Note 1) payable by the CGH Group to the Group within two weeks after the handover of the project to the Group, which shall be used to offset the sales agency fee payable by the CGH Group to the Group ^(Note 2).

Sales agency fee = contract prices of the sales of the subject property units for the month \times 4%

Notes:

1. The aggregate value of the subject property units represents the minimum selling price of the relevant subject property units determined after arm's length negotiations between relevant members of the Group and the CGH Group at the time those property units are handed over in batch to the Group, taking into account the construction and development costs of the subject property units, difficulty of sales, locations of the subject property units, etc. The Group will not proceed with the sale of a subject property unit if the contract price is lower than its value as aforesaid.
 2. The Group will deduct the pre-commencement fee from the amount of sales agency fee which becomes payable by the CGH Group. In the event that the sales agency fee payable by the CGH Group is greater than the pre-commencement fee already received by the Group, the shortfall will be paid by the CGH Group to the Group. The Group will not be required to return the pre-commencement fee to the CGH Group even if the Group fails to sell any or all of the relevant property units.
- (b) The fees for the provision of sales or leasing agency services in respect of unsold parking spaces by the Group comprise (i) sales or leasing agency fee; and (ii) incentive fee, which shall be calculated based on the following:

Sales/leasing agency fee = contract prices of the sales/leasing of the subject parking spaces for the month \times 5%

Incentive fee = contract prices of the sales/leasing of the subject parking spaces for the month \times 95% – transfer prices of the subject parking spaces

The transfer price of a parking space for sales/leasing represents the minimum price to be received by the CGH Group from the sales/leasing of the subject parking spaces, which shall be determined after arm's length negotiations between relevant members of the Group and the CGH Group taking into account the construction and development costs of the subject parking space, difficulty of sales/leasing, etc. The transfer price in relation to sales/leasing is usually at a discount to the initial price at the launch of the relevant project. The Group will not proceed with the sale or leasing of the subject parking spaces if the contract price is lower than its transfer prices as aforesaid.

If the buyer or lessee purchases or leases a parking space using a coupon, the transfer price of the subject parking space = the original transfer price of the parking space – the amount of coupon.

The coupon mentioned above refers to a valid certificate issued by relevant members of the CGH Group to a buyer or lessee in order to promote the completion of sales or leasing of parking space, which can be used to offset the selling price or rental of the parking space for the corresponding amount.

The above levels of fees, which are the same as those under the Existing Sales and Leasing Agency Services Framework Agreement, were determined after arm's length negotiations between the Company and CG Holdings with reference to practices and standards adopted by eight other market players in the same industry for similar services after considering quotations of agency fees for similar services. Updated market research will be conducted every six months to ensure that the levels of fees adopted are still in line with the market practice. If there is any deviation, the Company may consider negotiating with CG Holdings to revise the levels of fees under the Sales and Leasing Agency Services Framework Agreement. It was agreed that standard agency fee rates of 4% in respect of unsold property units and 5% in respect of unsold parking spaces should be adopted instead of applying different rates for different projects with reference to factors such as locations, nature and difficulty of sales/leasing of the property units or parking spaces, because these factors have already been taken into account in determining the value of the subject property units and transfer price of the subject parking spaces upon their handover to the Group.

The service fees shall not be lower than the fees charged by the Group to Independent Third Parties under the same conditions.

Based on the aforesaid, the Directors consider that the pricing terms of the Sales and Leasing Agency Services Framework Agreement are on normal commercial terms and in the interests of the Company and its shareholders as a whole.

Payment terms : Fees for such services provided by the Group will be payable within three months from the date of transaction ^(Note).

Note: Fees for the provision of sales agency services in respect of unsold properties units will become payable only when the accumulated sales agency fee in respect of the property units of a project handed over to the Group is greater than the corresponding pre-commencement fee already received by the Group.

The payment terms are in essence the same as those under the Existing Sales and Leasing Agency Services Framework Agreement, and are in line with the Group's standard payment terms offered to Independent Third Parties under similar conditions and the market practice.

Annual caps and basis of determination

The existing annual caps (excluding tax) for fees payable by the CGH Group to the Group under the Existing Sales and Leasing Agency Services Framework Agreement for each of the three years ending 31 December 2020 are as follows:

For the year ended 31 December 2018	For the year ended 31 December 2019	For the year ending 31 December 2020
RMB120,000,000	RMB380,000,000	RMB450,000,000

The approximate historical amounts (excluding tax) of fees paid by the CGH Group to the Group under the Existing Sales and Leasing Agency Services Framework Agreement for the two years ended 31 December 2018 and 2019 and the nine months ended 30 September 2020 are as follows:

For the year ended 31 December 2018 <i>(audited)</i>	For the year ended 31 December 2019 <i>(audited)</i>	For the nine months ended 30 September 2020 <i>(unaudited)</i>
RMB66,712,000	RMB184,906,000	RMB248,761,800

The proposed annual caps (excluding tax) for fees payable by the CGH Group to the Group under the Sales and Leasing Agency Services Framework Agreement for each of the three years ending 31 December 2023 are as follows:

For the year ending 31 December 2021	For the year ending 31 December 2022	For the year ending 31 December 2023
RMB700,000,000	RMB850,000,000	RMB1,000,000,000

The above proposed annual caps were determined after having taken into account (i) the historical amount of fees and historical growth rate for provision of services paid by the CGH Group to the Group under the Existing Sales and Leasing Agency Services Framework Agreement for the two years ended 31 December 2018 and 2019 and the nine months ended 30 September 2020; (ii) the estimated sales value of unsold properties and parking spaces of the CGH Group in the PRC with reference to factors including but not limited to, the existing portfolio of unsold properties and parking spaces of the CGH Group, the property development projects of the CGH Group currently being sold in the market, the upcoming scheduled property development projects of the CGH Group, the property development projects of the CGH Group expected to be launched, during the three years ending 31 December 2023; (iii) the market rate for the provision of similar services in the same industry; and (iv) the rates of fees to be charged by the Group for the provision of the relevant services.

Reasons for and benefits of the Sales and Leasing Agency Services Framework Agreement

The Company is a leading service provider in comprehensive property management in the PRC with residential property as its major focus and with a wide range of business. As a long-term development strategy, it is expected that the provision of sales and leasing agency services in respect of unsold parking spaces and the provision of sales agency services in respect of unsold property units of projects of the CGH Group will secure the steady growth of the Group's value-added services business, thereby expanding the Group's total revenue.

The Directors (save for the members of the Independent Board Committee, whose opinion will be issued based on the advice of the Independent Financial Adviser) consider that the Sales and Leasing Agency Services Framework Agreement and the transactions contemplated thereunder are entered into in the ordinary and usual course of business of the Company and on normal commercial terms, and the terms of which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

(4) The Consultancy and Other Services Framework Agreement

On 4 December 2020, the Company entered into the Consultancy and Other Services Framework Agreement with CG Holdings. During the term of the said agreement, members of the Group may from time to time enter into individual agreements with members of the CGH Group for the provision of the Consultancy Services, the Advertising Services, the Domestic Services, the Elevators Installation Services and the Other Services to the CGH Group in accordance with the principal terms of the Consultancy and Other Services Framework Agreement, which are set out as follows.

Date	:	4 December 2020
Parties	:	(1) the Company; and (2) CG Holdings
Term	:	From 1 January 2021 until 31 December 2023

Services to be provided : Provision of the following Consultancy and Other Services by the Group to the CGH Group:

- (1) Consultancy services including (i) advice and assistance on the setting up and operation of the on-site sales offices of the CGH Group, such as decoration of the venue, physical set-up of booths and exhibitions, greenery, cleaning and maintenance of water and electricity supplies of the sales offices; (ii) provision of guidance and training to the staff of the CGH Group on the operations of the on-site sales offices, including the manners for general reception of guests, the provision of light refreshments, maintenance of a decent and proper interior of the sales offices for guests, management of show flats, property handover, handover inspection; (iii) cleaning services for the properties developed by the CGH Group before delivery to homeowners; and (iv) asset operations management services (the “**Consultancy Services**”)
- (2) Advertising services (which comprise installation, maintenance and dismantling services) (the “**Advertising Services**”) in relation to advertisements to be displayed at certain advertising spaces located in the common areas of the property projects managed by the Group (the “**Advertising Spaces**”)
- (3) Domestic services including home cleaning, household appliances cleaning, garden maintenance, home maintenance and other domestic services to the Property Owners (the “**Domestic Services**”)
- (4) Elevator products installation and supporting services (the “**Elevators Installation Services**”)
- (5) Technology services, after-sales maintenance and warranty services for houses and buildings, turnkey furnishing services, hotel management services, institutional food services, disinfection and pest control services and other services (the “**Other Services**”)

Condition Precedent : The carrying out of transactions under the Consultancy and Other Services Framework Agreement is subject to the Company having obtained the approval by the Independent Shareholders of such agreement, the annual caps and the transactions contemplated thereunder.

Price : (1) Consultancy Services

The fees for the provision of the Consultancy Services shall be determined after arm's length negotiations taking into account the size, location and positioning of the properties to be sold by the sales offices of the CGH Group, the anticipated operational costs (such as labour costs) and the number of sales representatives receiving the consulting service and a variable commission rate with reference to the rate of fees under other contracts for similar consultancy and other services entered into by either party, and the market price for similar services.

(2) Advertising Services

The fees for the provision of the Advertising Services shall be determined after arm's length negotiations taking into account costs involved in provision of the services (including the cost of manpower, raw materials, management and procurement of the Advertising Spaces, having considered the size, location and positioning of the Advertising Spaces), with reference to the prevailing market prices of similar services provided by Independent Third Parties in the open market, as well as (if available) other market reference prices such as prices of similar transactions conducted by other property management companies in the PRC.

(3) Domestic Services

The prices for the Domestic Services provided to the Property Owners pursuant to their rights under the Domestic Services Rights Agreement will be based on the price list of the Group which is the same as that available to Independent Third Parties for the same services.

(4) Elevators Installation Services

The fees for the provision of the Elevators Installation Services shall be determined after arm's length negotiations taking into account costs involved in the provision of the services (including the costs of materials, manpower and the management fees), with reference to the rate of fees under other contracts for similar elevators installation and other services entered into by each party (if any), and the prevailing market prices of similar services.

(5) Other Services

The fees for the provision of the Other Services shall be determined after arm's length negotiations taking into account the cost of raw materials and manpower, management fees, the required quality standards for the delivery of services and/or products and other factors with reference to the market price for similar services.

The service fees shall not be lower than the fees charged by the Group to Independent Third Parties under the same conditions.

Payment terms : (1) Consultancy Services

Fees for the Consultancy Services provided by the Group will be payable after provision of such services, to be settled on a monthly basis.

(2) Advertising Services

Fees for the Advertising Services provided by the Group will be payable no later than three months after provision of such services by one-time payment or instalment payment.

(3) Domestic Services

Fees for the Domestic Services provided by the Group to the Property Owners will be payable by the CGH Group on behalf of the Property Owners within three months after the date of the relevant Domestic Services Rights Agreement.

(4) Elevators Installation Services

Fees for the Elevators Installation Services will be payable by the CGH Group to the Group within 30 Working Days after the relevant elevator products and/or services have passed the inspection by local government authorities.

(5) Other Services

Fees for the Other Services provided by the Group will be payable no later than three months after provision of such services by one-time payment or instalment payment.

The payment terms are in essence the same as those under the Existing Consultancy and Other Services Framework Agreement, the Existing Advertising and Domestic Services Framework Agreement and the Existing Elevators Installation and Other Services Framework Agreement, and are in line with the Group's standard payment terms offered to Independent Third Parties under similar conditions and the market practice.

Annual caps and basis of determination

The existing annual caps (excluding tax) for fees payable by the CGH Group to the Group under the Existing Consultancy and Other Services Framework Agreement, the Existing Advertising and Domestic Services Framework Agreement and the Existing Elevators Installation and Other Services Framework Agreement for each of the three years ending 31 December 2020 are as follows:

	For the year ended 31 December 2018	For the year ended 31 December 2019	For the year ending 31 December 2020
Consultancy Services	RMB633,110,000	RMB897,930,000	RMB1,007,420,000
Advertising Services	N/A	RMB2,000,000	RMB4,000,000
Domestic Services	N/A	RMB9,000,000	RMB18,000,000
Elevators Installation Services	N/A	N/A	RMB460,000,000

The approximate historical amounts (excluding tax) of fees paid by the CGH Group to the Group under the Existing Consultancy and Other Services Framework Agreement, the Existing Advertising and Domestic Services Framework Agreement and the Existing Elevators Installation and Other Services Framework Agreement are as follows:

	For the year ended 31 December 2018 (audited)	For the year ended 31 December 2019 (audited)	For the nine months ended 30 September 2020 (unaudited)
Consultancy Services	RMB476,178,000	RMB819,388,000	RMB414,496,700
Advertising Services	N/A	RMB869,000	RMB30,800
Domestic Services	N/A	RMB4,863,000	RMB7,958,800

**For the period from
18 March 2020 to
30 September 2020
(unaudited)**

Elevators Installation Services

RMB8,897,200

The proposed annual caps (excluding tax) for fees payable by the CGH Group to the Group under the Consultancy and Other Services Framework Agreement for each of the three years ending 31 December 2023 are as follows:

For the year ending 31 December 2021	For the year ending 31 December 2022	For the year ending 31 December 2023
RMB1,500,000,000	RMB1,800,000,000	RMB2,200,000,000

The above proposed annual caps were determined after having taken into account (i) the historical amount of fees paid by the CGH Group to the Group for the provision of the Consultancy Services, the Advertising Services, the Domestic Services and the Elevators Installation Services for each of the two years ended 31 December 2018 and 2019 and the nine months ended 30 September 2020; (ii) the estimated transaction amount for the provision of the Consultancy Services and Other Services by the Group to the CGH Group for each of the three years ending 31 December 2023 based on the anticipated development timeline and sales performance of the CGH Group; (iii) in respect of the Consultancy Services, the estimated contracted amount of services with reference to the existing land reserve of the CGH Group and the historical amount and historical growth rate of the total contracted gross floor area of the CGH Group, and the increases in management costs and labour costs; (iv) in respect of cleaning services, the estimated fee per square metre of the property to be charged by the Group in respect of the provision of such services, and the estimated gross floor area which the CGH Group will require the provision of such services by the Group; (v) in respect of the Advertising Services, the estimated marketing expenses to be incurred by the CGH Group; (vi) the Group's reference to the market rate for the provision of similar services in the same industry; and (vii) the rates of fees to be charged by the Group for the provision of the relevant services.

Pricing policy

The following pricing policy is adopted for each of the individual agreements to be entered into between members of the Group and members of the CGH Group under the Consultancy and Other Services Framework Agreement from time to time:

- (a) each individual agreement will be negotiated on an arm's length basis to ensure the relevant pricing terms are fair and reasonable and on normal commercial terms;
- (b) first of all, in determining the minimum transaction price, the Group would estimate the cost of provision of such services after taking into consideration the type and contents of services required, the expected costs, the location of the project, the scale of each individual agreement and the gross profit margins adopted in similar transactions of the

Group (ranging from 30% to 50% for the Consultancy Services, from 50% to 60% for the Advertising Services, from 40% to 60% for the Domestic Services, and from 8% to 20% for the Elevators Installation Services respectively, subject to changes from time to time; as regards the Other Services, as it involves a broad variety of services, there is not a single range of gross profit margins applicable to all and the gross profit margins range in respect of each type of services provided will be determined, subject to changes from time to time, based on the contents of services required, the expected costs, the location of the project, the scale of each individual agreement and the gross profit margins adopted in similar transactions of the Group);

- (c) subsequently, the Group will refer to (i) (if available) the prices of at least two contemporaneous similar transactions (in terms of the type and contents of services, the standard and quality of services required, pricing method, scale of the subject properties and level of difficulty of management and other factors) of the Group with Independent Third Parties; and (ii) (if available) certain market reference prices (i.e. the prices of transactions of similar nature, in terms of the type and contents of services and the scale and geographical locations of the subject properties, conducted by other property management companies in the PRC) which the Group considers to be matching, fair and competitive, to ensure that the transaction price is no less favorable to the Group than those available from Independent Third Parties; and
- (d) if the reference price(s) referred to (c) above is/are higher than the minimum price determined in accordance with (b) above, the reference price(s) will be adopted in determining the transaction price; on the contrary, if the reference price(s) referred to (c) above is/are lower than the minimum price determined in accordance with (b) above, the minimum price will be adopted in determining the transaction price.

Reasons for and benefits of the Consultancy and Other Services Framework Agreement

The Company is a leading service provider in comprehensive property management in the PRC with residential property as its major focus and with a wide range of business. The principal businesses of its subsidiaries include community value-added services and value-added services to non-property owners. The Group has been providing similar services contemplated under the Consultancy and Other Services Framework Agreement to the CGH Group as the Group and the CGH Group are able to meet the respective requirements of each other. With the Group's professional knowledge, high-quality services and competitive prices, the long-established cooperation between the Group and the CGH Group developed through transactions undertaken in the past provides a solid foundation for future cooperation, which is expected to produce good synergies. The Company considers that the entering into of the Consultancy and Other Services Framework Agreement helps raise the Group's income from value-added services, which will thereby increase the total revenue and improve the profitability of the Group, and is in conformity with the Group's strategic development needs.

The Directors (save for the members of the Independent Board Committee, whose opinion will be issued based on the advice of the Independent Financial Adviser) consider that the Consultancy and Other Services Framework Agreement and the transactions contemplated thereunder are entered into in the ordinary and usual course of business of the Company and on normal commercial terms, and the terms of which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

(5) The Hotel, Engineering and Transportation Services Framework Agreement

On 4 December 2020, the Company entered into the Hotel, Engineering and Transportation Services Framework Agreement with CG Holdings. During the term of the said agreement, members of the Group may from time to time enter into individual agreements with members of the CGH Group for the provision of hotel accommodation services, engineering and transportation services by the CGH Group in accordance with the principal terms of the Hotel, Engineering and Transportation Services Framework Agreement, which are set out as follows.

Date	:	4 December 2020
Parties	:	(1) the Company; and (2) CG Holdings
Term	:	From 1 January 2021 until 31 December 2023
Services to be provided	:	Provision of hotel accommodation, maintenance on the public facilities, shuttle-bus transportation services and other services by the CGH Group to the Group.
Price	:	The service fees shall be determined after arm's length negotiations with reference to the rate of fees under other contracts for similar services entered into by each party (if any), the prevailing market price for similar types of services provided by Independent Third Parties in the open market. The fees shall not be higher than the fees charged by the CGH Group to Independent Third Parties.
Payment terms	:	Fees for such services provided by the CGH Group will be payable after provision of such services, to be settled on a monthly or quarterly basis.

The payment terms are in essence the same as those under the Existing Hotel Services Framework Agreement and the Existing Engineering and Transportation Services Framework Agreement, and are in line with the Group's standard payment terms offered to Independent Third Parties under similar conditions and the market practice.

Annual caps and basis of determination

The existing annual caps (excluding tax) for fees payable by the Group to the CGH Group under the Existing Hotel Services Framework Agreement and the Existing Engineering and Transportation Services Framework Agreement for each of the three years ending 31 December 2020 are as follows:

	For the year ended 31 December 2018	For the year ended 31 December 2019	For the year ending 31 December 2020
Hotel Services	RMB4,100,000	RMB4,900,000	RMB5,800,000
Engineering and Transportation Services	RMB54,000,000	RMB76,800,000	RMB79,000,000

The approximate historical amounts (excluding tax) of fees paid by the Group to the CGH Group under the Existing Hotel Services Framework Agreement and the Existing Engineering and Transportation Services Framework Agreement for each of the two years ended 31 December 2018 and 2019 and the nine months ended 30 September 2020 are as follows:

	For the year ended 31 December 2018 <i>(audited)</i>	For the year ended 31 December 2019 <i>(audited)</i>	For the nine months ended 30 September 2020 <i>(unaudited)</i>
Hotel Services	RMB4,084,000	RMB3,816,000	RMB2,704,600
Engineering and Transportation Services	RMB49,418,000	RMB33,683,000	RMB18,024,800

The proposed annual caps (excluding tax) for fees payable by the Group to the CGH Group under the Hotel, Engineering and Transportation Services Framework Agreement for each of the three years ending 31 December 2023 are as follows:

For the year ending 31 December 2021	For the year ending 31 December 2022	For the year ending 31 December 2023
RMB52,220,000	RMB58,380,000	RMB70,640,000

The above proposed annual caps were determined after having taken into account (i) the historical amount of fees paid by the Group to the CGH Group for the provision of hotel, engineering and transportation services for each of the two years ended 31 December 2019 and the nine months ended 30 September 2020; (ii) the estimated amount of the service fee to be incurred under the existing individual hotel, engineering and transportation services agreements entered into by the Group and the CGH Group; and (iii) the estimated growth of intelligent transformation services to be provided by the CGH Group to the Group for the three years ending 31 December 2023.

Pricing policy

The following pricing policy is adopted for each of the individual agreements to be entered into between members of the Group and members of the CGH Group under the Hotel, Engineering and Transportation Services Framework Agreement from time to time:

- (a) each individual agreement will be negotiated on an arm's length basis to ensure the relevant pricing terms are fair and reasonable and on normal commercial terms;
- (b) the transaction price shall be determined based on certain market reference prices and the prices of contemporaneous similar transactions with Independent Third Parties after arm's length negotiation is reached between both parties in respect of the terms and conditions of each individual agreement to ensure that the transaction price is no less favorable to the Group than those available from Independent Third Parties;
- (c) if no contemporaneous transactions for similar services have taken place between the relevant member of the Group and Independent Third Parties, the transaction price shall be negotiated with the CGH Group by reference to the relevant guidance prices prescribed by the government or those charged by competitors of comparable scale for similar transactions with their independent third parties; and
- (d) should there be any material discrepancies between the price charged by the CGH Group and that offered by Independent Third Parties, the price chargeable by the CGH Group will be adjusted accordingly.

Reasons for and benefits of the Hotel, Engineering and Transportation Services Framework Agreement

The Company considers that the entering into of the Hotel, Engineering and Transportation Services Framework Agreement helps raise the Group's service quality and enhance the brand of the Group, and is in conformity with the Group's strategic development needs.

The Directors (including the independent non-executive Directors) consider that the Hotel, Engineering and Transportation Services Framework Agreement and the transactions contemplated thereunder are entered into in the ordinary and usual course of business of the Company and on normal commercial terms, and the terms of which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

(6) The Merchandise Procurement Framework Agreement

On 4 December 2020, the Company entered into the Merchandise Procurement Framework Agreement with CG Holdings. During the term of the said agreement, members of the Group may from time to time enter into individual agreements with members of the CGH Group for the sale of various kinds of goods in accordance with the principal terms of the Merchandise Procurement Framework Agreement, which are set out as follows.

Date	:	4 December 2020
Parties	:	(1) the Company; and (2) CG Holdings
Term	:	From 1 January 2021 until 31 December 2023
Services to be provided	:	The purchase of various kinds of goods, including but not limited to home appliances, electronic products, food products and daily commodities, by the CGH Group from the Group
Price	:	The prices of the goods to be procured under the Merchandise Procurement Framework Agreement will be determined after arm's length negotiations taking into account the cost of procuring the relevant goods by the Group as well as other costs including manpower and management costs, with reference to the prevailing market prices of same or similar goods charged by Independent Third Parties.
Payment terms	:	Fees for such goods provided by the Group will be payable within three months from the date of receipt of invoice by the CGH Group.

The payment terms are in essence the same as those under the Existing Merchandise Procurement Framework Agreement, and are in line with the Group's standard payment terms offered to Independent Third Parties under similar conditions and the market practice.

Annual caps and basis of determination

The existing annual caps (excluding tax) for fees payable by the CGH Group to the Group under the Existing Merchandise Procurement Framework Agreement for each of the two years ending 31 December 2020 are as follows:

**For the year ended
31 December 2019**

RMB25,000,000

**For the year ending
31 December 2020**

RMB50,000,000

The approximate historical amounts (excluding tax) of fees paid by the CGH Group to the Group under the Existing Merchandise Procurement Framework Agreement for the year ended 31 December 2019 and the nine months ended 30 September 2020 were as follows:

For the year ended 31 December 2019 <i>(audited)</i>	For the nine months ended 30 September 2020 <i>(unaudited)</i>
RMB16,074,000	RMB29,526,500

The proposed annual caps (excluding tax) for fees payable by the CGH Group to the Group under the Merchandise Procurement Framework Agreement for each of the three years ending 31 December 2023 are as follows:

For the year ending 31 December 2021	For the year ending 31 December 2022	For the year ending 31 December 2023
RMB82,580,000	RMB114,870,000	RMB172,300,000

The above proposed annual caps were determined after having taken into account (i) the historical amount of fees paid by the CGH Group to the Group for the procurement of merchandise for the year ended 31 December 2019 and the nine months ended 30 September 2020; (ii) the estimated transaction amount for the goods to be provided by the Group to the CGH Group for each of the three years ending 31 December 2023; and (iii) the market price of the same or similar goods in the open market.

Pricing policy

The following pricing policy is adopted for each of the individual agreements to be entered into between members of the Group and members of the CGH Group under the Merchandise Procurement Framework Agreement from time to time:

- (a) each individual agreement will be negotiated on an arm's length basis to ensure the relevant pricing terms are fair and reasonable and on normal commercial terms;
- (b) the prices for the goods will be determined with reference to the prevailing market prices of the same or similar goods, which will be determined through periodic price researches conducted by the staff of the business department of the Company by obtaining the prices of goods charged by at least three Independent Third Parties in the market for goods comparable to the goods supplied under the Merchandise Procurement Framework Agreement;
- (c) the relevant personnel of the business department of the Company will regularly update the market prices for the purpose of considering if the prices charged for specific transactions are fair and reasonable and in accordance with the Company's pricing policy; and

- (d) should there be any material discrepancies between the price charged by the Group and that charged by Independent Third Parties, the price chargeable by the Group will be adjusted accordingly.

Reasons for and benefits of the Merchandise Procurement Framework Agreement

The Company considers that the entering into of the Merchandise Procurement Framework Agreement helps raise the Group's income from value-added services, which will thereby increase the total revenue and improve the profitability of the Group, and is in conformity with the Group's strategic development needs.

The Directors (including the independent non-executive Directors) consider that the Merchandise Procurement Framework Agreement and the transactions contemplated thereunder are entered into in the ordinary and usual course of business of the Company and on normal commercial terms, and the terms of which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INTERNAL CONTROL POLICIES FOR CONTINUING CONNECTED TRANSACTIONS

To ensure individual transactions will be conducted in accordance with the 2020 Framework Agreements and the aforesaid pricing policy, the Group has adopted the following internal control measures:

- (1) the financial officers and persons in charge of various departments and units will closely monitor each transaction conducted under the 2020 Framework Agreements, and regularly report monitoring data to the compliance department designated by the Company. The compliance department will then summarise and monitor the total transaction amount of the transactions conducted under each of the 2020 Framework Agreements, and quarterly assess whether the annual caps of the respective 2020 Framework Agreements may be exceeded to ensure that the transaction amount does not exceed the proposed annual caps. Continuous monitoring will be in place before, during and after each transaction, to ensure that the responsibilities are duly fulfilled;
- (2) the implementation of each contract entered into pursuant to the 2020 Framework Agreements must be approved by the business department, the finance department, the legal department and the management to ensure that it is in accordance with the pricing policy and the principal terms of the 2020 Framework Agreements;
- (3) the auditors of the Company shall conduct annual reviews on the prices and the annual caps of the continuing connected transactions to ensure that the total transaction amount is within the annual caps and that the transactions are conducted in accordance with the principal terms of the 2020 Framework Agreements; and

(4) the Board (including the independent non-executive Directors) will continue to review the quarterly monitoring reports on the transactions conducted under the 2020 Framework Agreements issued by the management to ensure that the transactions are entered into in the ordinary and usual course of business of the Company and on normal commercial terms, and the terms of which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Bright Scholar is an indirect majority-controlled company of Ms. YANG Huiyan, a non-executive Director and a substantial Shareholder of the Company, and her aunt, Ms. YANG Meirong. As such, Bright Scholar is a connected person of the Company and the Bright Scholar Property Management Services Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since CG Holdings is a majority-controlled company indirectly held by Ms. YANG Huiyan, a non-executive Director and a substantial Shareholder of the Company, it is an associate of Ms. YANG Huiyan and thus a connected person of the Company. Transactions contemplated under each of the 2020 CGH Framework Agreements therefore constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) calculated based on the highest annual cap for transactions contemplated under each of (i) the Bright Scholar Property Management Services Framework Agreement; (ii) the Hotel, Engineering and Transportation Services Framework Agreement and (iii) the Merchandise Procurement Framework Agreement exceed 0.1% but are below 5%, such transactions are subject to the reporting, annual review and announcement requirements but exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) calculated based on the highest annual cap exceed 5%, each of (i) the CGH Property Management Services Framework Agreement; (ii) the Sales and Leasing Agency Services Framework Agreement; and (iii) the Consultancy and Other Services Framework Agreement and the transactions contemplated thereunder are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Since (i) Ms. YANG Huiyan is a relative of the majority shareholder of Bright Scholar and is herself a majority shareholder of Bright Scholar; and (ii) Mr. YANG Zhicheng is a cousin of Ms. YANG Huiyan, both of them as Directors have abstained from voting on the resolutions at the Board meeting approving the Bright Scholar Property Management Services Framework Agreement and the transactions contemplated thereunder to avoid any conflicts of interest.

Since (i) Ms. YANG Huiyan is the controlling shareholder, the Co-Chairman and an executive Director of CG Holdings, (ii) Mr. YANG Zhicheng is a regional President and an executive director of CG Holdings and a cousin of Ms. YANG Huiyan, and (iii) Ms. WU Bijun is the Vice President and the Chief Financial Officer of CG Holdings, all of them as Directors have abstained from voting on the resolutions at the Board meeting approving each of the 2020 CGH Framework Agreements and the transactions contemplated thereunder to avoid any conflicts of interest.

A circular containing, among other things, (a) the Letter from the Board with further details of the Non-exempt Framework Agreements and the transactions contemplated thereunder; (b) a letter from the Independent Board Committee to the Independent Shareholders; (c) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders in respect of the Non-exempt Framework Agreements; and (d) a notice of the EGM is expected to be despatched to Shareholders on or before 7 December 2020.

Book Closure Period

In order to determine the list of Shareholders who will be entitled to attend and vote at the EGM, the register of members of the Company will be closed from Monday, 21 December 2020 to Wednesday, 23 December 2020 (both days inclusive), during which no transfer of shares of the Company will be registered. Holders of Shares whose names appear on the register of members of the Company at 4:30 p.m. on Friday, 18 December 2020 shall be entitled to attend and vote at the EGM. In order to determine the identities of the shareholders who are entitled to attend and vote at the EGM, the completed share transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, 18 December 2020.

GENERAL

The Company is an investment holding company and a leading service provider in comprehensive property management in the PRC with residential property as its major focus. Its subsidiaries are principally engaged in property management services, community value-added services, value-added services to non-property owners and "Three Supplies and Property Management" businesses (currently includes property management services and heat supply business). As at the date of this announcement, Ms. YANG Huiyan is indirectly interested in approximately 52.59% of the total issued share capital of the Company.

The Bright Scholar Group is principally engaged in the operation of international and bilingual K-12 schools in the PRC. As at the date of this announcement, Bright Scholar is held as to 73.36% indirectly by Ms. YANG Meirong and 77.52% indirectly by Ms. YANG Huiyan.

CG Holdings is one of the PRC's largest residential property developers that capitalizes on urbanization. With centralized management and standardization, the CGH Group runs the businesses of property development, construction, interior decoration, property investment, and the development and management of hotels. The CGH Group offers a broad range of products to cater for diverse demands, namely residential projects such as townhouses, condominiums, car parks and retail shop spaces. The CGH Group also develops and manages hotels at some of its property projects with the aim of enhancing the properties' marketability. The CGH Group's other businesses are robotics and modern agriculture. As at the date of this announcement, Ms. YANG Huiyan, the Co-Chairman and an executive director of CG Holdings, holds approximately 58.57% of the total issued share capital of CG Holdings through an investment holding company which she entirely owns.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“2018 Circular”	the circular of the Company dated 5 November 2018 in relation to the Existing Sales and Leasing Agency Services Framework Agreement and the Existing Consultancy and Other Services Framework Agreement
“2020 CGH Framework Agreements”	the CGH Property Management Services Framework Agreement, the Sales and Leasing Agency Services Framework Agreement, the Consultancy and Other Services Framework Agreement, the Hotel, Engineering and Transportation Services Framework Agreement and the Merchandise Procurement Framework Agreement
“2020 Framework Agreements”	the Bright Scholar Property Management Services Framework Agreement and the 2020 CGH Framework Agreements
“30%-controlled company(ies)”	has the meaning ascribed to it under the Listing Rules
“Advertising Services”	has the meaning ascribed to it under the section headed “(4) The Consultancy and Other Services Framework Agreement” in this announcement
“Advertising Spaces”	has the meaning ascribed to it under the section headed “(4) The Consultancy and Other Services Framework Agreement” in this announcement
“Announcements”	the announcements of the Company respectively dated 22 August 2018, 18 September 2018, 23 August 2019 and 18 March 2020 in relation to the continuing connected transactions between the Group and the Bright Scholar Group and the CGH Group respectively
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Bright Scholar”	Bright Scholar Education Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed in the form of American Depository Shares representing Class A Ordinary shares on the New York Stock Exchange (NYSE ticker: BEDU)

“Bright Scholar Group”	Bright Scholar and its subsidiaries and, for the purpose of this announcement, its variable interest entities and its 30%-controlled companies
“Bright Scholar Property Management Services Framework Agreement”	the framework agreement entered into between the Company and Bright Scholar on 4 December 2020 which sets out the terms for the provision of property management services by the Group to Bright Scholar Group for a term commencing on 1 January 2021 until 31 December 2023
“CG Holdings”	Country Garden Holdings Company Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2007)
“CGH Group”	CG Holdings and its subsidiaries and, for the purpose of this announcement, their 30%-controlled companies
“CGH Property Management Services Framework Agreement”	the framework agreement entered into between the Company and CG Holdings on 4 December 2020 which sets out the principal terms for the provision of property management services by the Group to the CGH Group for a term commencing on 1 January 2021 until 31 December 2023
“Company”	Country Garden Services Holdings Company Limited (碧桂園服務控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 6098)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Consultancy and Other Services”	the Consultancy Services, the Advertising Services, the Domestic Services, the Elevators Installation Services and the Other Services
“Consultancy and Other Services Framework Agreement”	the framework agreement entered into between the Company and CG Holdings on 4 December 2020 which sets out the principal terms for provision of the Consultancy and Other Services by the Group to the CGH Group for a term commencing on 1 January 2021 until 31 December 2023
“Consultancy Services”	has the meaning ascribed to it under the section headed “(4) The Consultancy and Other Services Framework Agreement” in this announcement
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company

“Domestic Services”	has the meaning ascribed to it under the section headed “(4) The Consultancy and Other Services Framework Agreement” in this announcement
“Domestic Services Rights Agreement(s)”	the agreement(s) to be entered into between the CGH Group and the Property Owners pursuant to which the Property Owners will be offered the rights to enjoy Domestic Services provided by the Group subject to certain cash limit
“EGM”	the extraordinary general meeting of the Company to be convened and held for the Independent Shareholders to consider and, if thought fit, to approve the resolutions in relation to the Non-exempt Framework Agreements
“Elevators Installation Services”	has the meaning ascribed to it under the section headed “(4) The Consultancy and Other Services Framework Agreement” in this announcement
“Existing Advertising and Domestic Services Framework Agreement”	the framework agreement entered into between the Company and CG Holdings on 23 August 2019 which sets out the principal terms for the provision of the Advertising Services and the Domestic Services by the Group to the CGH Group for a term commencing on 23 August 2019 until 31 December 2020
“Existing Bright Scholar Property Management Services Framework Agreement”	the framework agreement entered into between the Company and Bright Scholar on 22 August 2018 which sets out the principal terms for the provision of property management services by the Group to the Bright Scholar Group for a term commencing on 22 August 2018 until 31 December 2020
“Existing CGH Property Management Services Framework Agreement”	the framework agreement entered into between the Company and CG Holdings on 1 June 2018 which sets out the principal terms for the provision of property management services by the Group to the CGH Group for a term commencing from the Listing Date until 31 December 2020
“Existing Consultancy and Other Services Framework Agreement”	the framework agreement entered into between the Company and CG Holdings on 1 June 2018 which sets out the principal terms for provision of the Consultancy Services and cleaning services by the Group to the CGH Group for a term commencing from the Listing Date until 31 December 2020 (as amended and supplemented from time to time)

<p>“Existing Elevators Installation and Other Services Framework Agreement”</p>	<p>the framework agreement entered into between the Company and CG Holdings on 18 March 2020 which sets out the principal terms for the provision of Elevator Installation and Other Services by the Group to the CGH Group for a term commencing on 18 March 2020 until 31 December 2020</p>
<p>“Existing Engineering and Transportation Services Framework Agreement”</p>	<p>the master engineering and transportation services agreement entered into between the Company and CG Holdings on 1 June 2018 which sets out the principal terms for provision of engineering and transportation services by the CGH Group to the Group for a term commencing from the Listing Date until 31 December 2020 (as amended and supplemented from time to time)</p>
<p>“Existing Framework Agreements”</p>	<p>collectively, the Existing Bright Scholar Property Management Services Framework Agreement, the Existing CGH Property Management Services Framework Agreement, the Existing Sales and Leasing Agency Services Framework Agreement, the Existing Advertising and Domestic Services Framework Agreement, the Existing Consultancy and Other Services Framework Agreement, the Existing Elevators Installation and Other Services Framework Agreement, the Existing Engineering and Transportation Services Framework Agreement, the Existing Hotel Services Framework Agreement and the Existing Merchandise Procurement Framework Agreement</p>
<p>“Existing Hotel, Engineering and Transportation Services Framework Agreement”</p>	<p>collectively, the Existing Hotel Services Framework Agreement and the Existing Engineering and Transportation Services Framework Agreement</p>
<p>“Existing Hotel Services Framework Agreement”</p>	<p>the framework agreement entered into between the Company and CG Holdings on 1 June 2018 which sets out the principal terms for the provision of hotel accommodation services by the CGH Group to the Group for a term from the Listing Date until 31 December 2020</p>
<p>“Existing Merchandise Procurement Framework Agreement”</p>	<p>the framework agreement entered into between the Company and CG Holdings on 23 August 2019 which sets out the principal terms for the sale of various kinds of goods by the Group to the CGH Group for a term commencing on 23 August 2019 until 31 December 2020</p>
<p>“Existing Sales and Leasing Agency Services Framework Agreement”</p>	<p>the framework agreement entered into between the Company and CG Holdings on 18 September 2018 which sets out the principal terms for the provision of sales and leasing agency services by the Group to the CGH Group for a term commencing on 18 September 2018 until 31 December 2020</p>

“Group”	the Company and its subsidiaries and, in the context of the 2020 Framework Agreements, their 30%-controlled companies
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hotel, Engineering and Transportation Services Framework Agreement”	the framework agreement entered into between the Company and CG Holdings on 4 December 2020 which sets out the principal terms for the provision of hotel accommodation services, engineering and transportation services by the CGH Group to the Group for a term commencing on 1 January 2021 until 31 December 2023
“Independent Board Committee”	the independent Board committee comprising all independent non-executive Directors formed to advise the Independent Shareholders on the Non-exempt Framework Agreements and the transactions contemplated thereunder
“Independent Financial Adviser”	Red Sun Capital Limited, a licensed corporation licensed to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Non-exempt Framework Agreements and the transactions contemplated thereunder
“Independent Shareholders”	the Shareholders other than Ms. YANG Huiyan, Ms. WU Bijun and their respective associates
“Independent Third Parties”	parties who are independent of, and not connected with, the Company or any of its connected persons
“Listing Date”	19 June 2018, the date on which the Shares are first listed and from which dealings in the Shares first commence on the main board of the Stock Exchange
“Listing Document”	the listing document of the Company dated 6 June 2018 in relation to the listing by way of introduction of the Shares on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“majority-controlled company”	has the meaning ascribed to it under the Listing Rules

“Merchandise Procurement Framework Agreement”	the framework agreement entered into between the Company and CG Holdings on 4 December 2020 which sets out the principal terms for the sale of various kinds of goods by the Group to the CGH Group for a term commencing on 1 January 2021 until 31 December 2023
“Non-exempt Framework Agreements”	collectively, the CGH Property Management Services Framework Agreement, the Sales and Leasing Agency Services Framework Agreement, and the Consultancy and Other Services Framework Agreement
“Other Services”	has the meaning ascribed to it under the section headed “(4) The Consultancy and Other Services Framework Agreement” in this announcement
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
“Property Service Charge Management Measures”	the Property Service Charge Management Measures (《物業服務收費管理辦法》) promulgated by the National Development and Reform Commission and the Ministry of Construction on 13 November 2003
“Property Owner(s)”	the purchasers of property units of the CGH Group
“RMB”	Renminbi, the lawful currency of PRC
“Sales and Leasing Agency Services Framework Agreement”	the framework agreement entered into between the Company and CG Holdings on 4 December 2020 which sets out the principal terms for the provision of sales and leasing agency services by the Group to the CGH Group for a term commencing on 1 January 2021 until 31 December 2023
“Share(s)”	ordinary share(s) with a par value of US\$0.0001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Working Days” the statutory working days in the PRC

“%” per cent

By order of the Board
Country Garden Services Holdings Company Limited
LI Changjiang
Executive Director

Foshan, the PRC, 4 December 2020

As of the date of this announcement, the executive directors of the Company are Mr. LI Changjiang, Mr. XIAO Hua and Mr. GUO Zhanjun. The non-executive directors of the Company are Ms. YANG Huiyan (Chairman), Mr. YANG Zhicheng and Ms. WU Bijun. The independent non-executive directors of the Company are Mr. MEI Wenjue, Mr. RUI Meng and Mr. CHEN Weiru.